

SIMSBORO FIELD
06-534 thru 06-542

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, MAY 30, 2006**, upon the application of **CHESAPEAKE OPERATING, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Cotton Valley Zone, Reservoir A; the Fowler Sand; the Hill Sand; the Upper Sligo Sand, Reservoir A; the West Sand; the West Zone of the Sligo Formation; the Gardner Sand; the Hosston L Sand; and the Hosston Formation**, in the Simsboro Field, Lincoln Parish, Louisiana.

1. To establish rules and regulations and to create five (5) drilling and production units (to be designated as CV RA SUA thru CV RA SUE) for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A.
2. To force pool and integrate each of the separately owned tracts, mineral leases and other property interests within the proposed units for the Cotton Valley Zone, Reservoir A, to be created hereby, with production being allocated on a surface acreage basis of participation.
3. To designate Chesapeake Operating, Inc. as operator of the units to be created hereby.
4. To permit the Applicant to drill, designate and utilize certain unit wells and alternate unit wells for the proposed units, at the locations shown on the plat submitted with the application.
5. To provide that future wells drilled to, permitted for, or completed in the Cotton Valley Zone, Reservoir A, should be located in accordance with Statewide Order No. 29-E.
6. To permit the downhole combination of the Cotton Valley Zone, Reservoir A; the Fowler Sand; the Hill Sand; the Upper Sligo Sand, Reservoir A; the West Sand; the West Zone of the Sligo Formation; the Gardner Sand; the Hosston L Sand; and the Hosston Formation, in the wellbore of any well in which the acreage and ownership are identical located in the following units:
 - a) FWL SUD, HILL SUE, U SLI RA SUC, GARD SUC, HOSS L SUB, HOSS SU29 and CV RA SUB;
 - b) FWL SUB, HILL SUB, U SLI RA SUE, WEST SUB, GARD SUD, HOSS L SUD, HOSS SU30 and CV RA SUA;
 - c) FWL SUA, HILL SUC, U SLI RA SUA, GARD SUH, HOSS L SUC, HOSS SU28 and CV RA SUC;
 - d) FWL SUC, HILL SUD, U SLI RA SUD, WEST SUD, GARD SUG, HOSS L SUE, HOSS SU24 and CV RA SUD;
 - e) FWL SUE, HILL SUF, U SLI RA SUG, GARD SUJ, HOSS L SUA, HOSS SU27 and CV RA SUE.
7. To consider such other matters as may be pertinent.

The Cotton Valley Zone, Reservoir A, is hereby defined as that stratigraphic equivalent top encountered at 9,610 feet (electric log measurement) in the Tensas Delta Exploration Co. LLC - Freudendorf et al No. 2 Well, located in Section 14, Township 17 North, Range 4 West and base encountered at 11,310 feet (electric log measurement) in the Murphy Oil Corporation - Palmer No. 1 Well, located in Section 14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana.

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The Upper Sligo Sand, Reservoir A, is defined in Office of Conservation Order No. 222-G, effective January 18, 1979.

The West Sand is defined in Office of Conservation Order No. 222-D, effective August 1, 1960.

The West Zone of the Sligo Formation is fully defined in Office of Conservation Order No. 222-E, effective June 1, 1965.

The Fowler Sand, Hill Sand, Gardner Sand and Hosston L Sand, are fully defined in Office of Conservation Order No. 222, effective December 4, 1951.

The Hosston Formation was redefined by the following Orders:

- a) Order No. 222-43, effective October 25, 2005, ONLY INsofar AS HOSS SU29 is concerned;
- b) Order No. 222-48, effective November 16, 2005, ONLY INsofar AS HOSS SU30 is concerned;
- c) Order No. 222-50, effective December 20, 2005 ONLY INsofar AS HOSS SU28 is concerned;
- d) Order No. 222-51, effective February 1, 2006, ONLY INsofar AS HOSS SU24 is concerned; and
- e) Shall be redefined INsofar ONLY AS HOSS SU27 is concerned, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 6480 feet and 9610 feet (electric log measurements) in the Tensas Delta Expl. Co., LLC - Freudendorf et al No. 2 Well, located in Section 14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana, LESS AND EXCEPT the Gardner and Hosston L Sands as defined in Office of Conservation Order No. 222.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, La

4/20/06;4/25/06

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.